OZ Systems' Response
To The Iowa Department of Public Health
Request For Proposal
No. BD80400S280
For A
Web Based Data Collection System For
Early Hearing
Detection & Intervention (EHDI)

Best and Final Offer (BAFO)
Cost Proposal

B. Table of Contents   **Page #**

C. Letter binding vendor to proposed costs

November 26, 2003

Ms. Ashley Super
Purchasing Agent III
Iowa Department of General Services
Purchasing Division
Hoover State Office Building – Level A
Des Moines, Iowa 50319-0105

RE: OZ Systems' Best and Final Offer (BAFO) Submission

Dear Ms. Super:

Optimization Zorn Corporation (DBA OZ Systems) agrees to be bound by the Cost Proposal contained in this document relating to Request For Proposals (RFP) No. BD80400S280, for a Web-Based Data Collection System for Early Hearing Detection & Intervention (EHDI).

The costs quoted in this response will be binding and unchangeable for a period of not less than 180 days from the date of award of any contract that may result from this RFP.

This proposal represents the requested **best and final offer** due to the state of Iowa on December 1, 2003. It includes an overall reduction of 30.3% from the original year 1 proposal. This reduction includes two types of cost savings: 1.) discounts in OZ Systems' services to be supplied and 2.) a mechanism whereby the state is in control of when user licenses and support contracts are initiated. Rather than pay for unused licenses, OZ Systems proposes herein that licenses and associated fees to the state are only activated as needed. Year 2 costs (and subsequent years) are reduced 10.8% from the original proposal.

Please do not hesitate to contact me if you have any questions or if there are any items in this proposal that need clarification.

Sincerely,

Terese Finitzo
Vice President
OZ Systems

D. Letter Certification of Independent Price Determination

November 26, 2003

Ms. Ashley Super
Purchasing Agent III
Iowa Department of General Services
Purchasing Division
Hoover State Office Building – Level A
Des Moines, Iowa 50319-0105

RE: OZ Systems' Best and Final Offer (BAFO) Submission

Dear Ms. Super:

Optimization Zorn Corporation (DBA OZ Systems) certifies that this proposal (relating to Request For Proposals (RFP) No. BD80400S280, for a Web-Based Data Collection System for Early Hearing Detection & Intervention (EHDI) was developed independently and that no relationship exists or will exist during the contract period between OZ Systems and the State of Iowa that interferes with fair competition or is a conflict of interest.

Please do not hesitate to contact me if you have any questions or if there are any items in this proposal that need clarification.

Sincerely,

Terese Finitzo
Vice President
OZ Systems

E. Cost Proposal

Request for Proposals BD80400S280
BAFO COST PROPOSAL FORMAT

Deliverables	Year 1			Year 2 +	
	Original Offer	BAFO	% Reduction	BAFO	% Reduction
eSP Application: Includes licenses for the eSP Security Platform and eSP Early Hearing Detection and Intervention (EHDI) Module for up to 300 users. Includes all system upgrades, routine maintenance for 6 years.	$30,000 /year	$20,000 (1)	33.3%	$30,000	
System Technical Support via Telephone and Teleconference for IDPH clinical and administrative staff (10)	$ 3,000 /year	$2,500	16.7%	$2,500	16.7%
Online Help Desk Support for all system users (up to 300) (Includes email)	$ 21,000/year	$14,000 (2)	33.3%	$21,000	
Program Implementation and Management Support (Maria Cantu and Brenee Hill to IDPH staff), includes routinely scheduled telephone conferences, troubleshooting, implementation assistance.	$ 6,000 /year	$3600	40.0%	Optional See reduced cost in optional services (3)	
System Configuration and Set-up: System Set-Up and Iowa-Specific Configurations including Technical Support to Iowa IT during Set-up	$10,000	$8,000	20%	Not Applicable	
Train-the-Trainer: Training for 10 IDPH personnel. 2-day on-site classroom & web training session, supporting materials on CD Rom, + ½ day follow-up web-conference session.	$ 5,500	$4,500	18.2	Not Applicable	
ESTIMATED TOTAL COST:	$75,500	**$52,600**	**30.3%**	**$53,500 (4)**	**10.8% (5)**

(1). The state pays for licenses only as it needs them. Iowa may purchase blocks of 50 user-licenses for $5000, rather than pay for 300 in advance in year one. The user licenses are good for one full year from the *date of activation*. Licenses can be pre-purchased and activated as needed. If the state would prefer purchasing user licenses in blocks of 30 licenses for finer cost control, this is an option. See user license graph on page 7 for one scenario.

(2) User support fees parallel licenses costs with each supported user having a full year of support from *date of license activation*. The state only pays for support, as it needs it. Iowa may purchase blocks of 50 support contracts for $3500, rather than pay for 300 in year one. The support fees are good for one full year on the *date of activation*. If the state would prefer purchasing support seats in blocks of 30, this is an option.

(3) Program implementation services are made optional in year 2 and reduced further from year 1 BAFO in recognition that the state will not need as much implementation support. See **Optional Services** Table below for reduction.

(4) Plus 5% annual cost of living adjustment.

(5) Original Year 2 and subsequent years was $60,000

Optional Services:	Original	BAFO	% Reduction
eSP Customization using Senior Programmer	$200/hour	$200	
eSP Customization Junior Developer	$125/hour	$125	
Optional additional on-site implementation assistance covers expenses for airfare, car, hotel and meals for 2 nights for Cantu or Hill (two week advance).	$950/trip	$950/trip	This is priced as expense reimbursement only with no staff costs included.
Unlimited access to training site includes training site support and maintenance	$175/month	$125/month	28.6%
OZ Systems secure, redundant web hosting within our data center	$3150		
Program Implementation Assistance Year 2 +	$6000	$2400	60.0%

Iowa Implementation Roll-out Estimated Projections

User Account Estimates
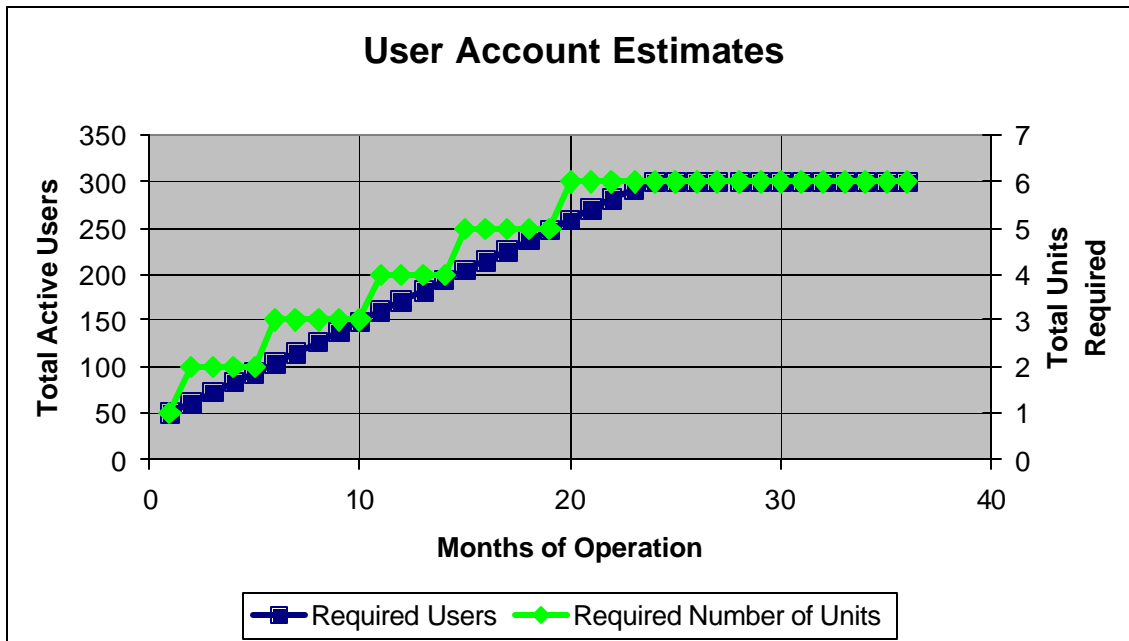
Assumptions:
1) Initial User Accounts – 50
2) Total User Accounts At Full Implementation – 300
3) Expected Time To Full Implementation – 20 months

This graph shows a potential scenario for Iowa implementation. Fully 200 users are on board at the end of 10 months with the final users coming on in year 2. Implementation and user licenses and support is at Iowa's pace. License and support contracts are for one full year from date of activation rather than at initial implementation, thus saving the state money. Specifically, the 50 users who are projected to be activated in month 11 do not need to renewal until month 23.